



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

DEC 10 2015

Mr. Robert A. Strouse
Site Director
Croda, Inc.
8 Croda Way
Mill Hall, PA 17751-8727

Re: **Croda, Inc.**
EPA Docket No. CAA-III-2016-0041

Dear Mr. Strouse:

On January 14, 2015, the EPA Region III Air Protection Division ("EPA") issued an Information Request pursuant to Section 114 of the Clean Air Act ("CAA"), 42 U.S.C. § 7414 to Croda, Inc. ("Croda") regarding its facility located at 8 Croda Way, Mill Hall, Pennsylvania 17751-8727 (the "Facility"). Croda provided responses to this Information Request on February 16, 2015, and March 30, 2015. On May 18, 2015, EPA submitted follow-up questions under the same Information Request, to which Croda responded on June 11, 2015. The requests for information are part of an on-going EPA CAA compliance investigation. This is a Notice of Noncompliance and Show Cause Notification relating to the above described on-going CAA compliance investigation.

Based upon EPA's review of information relating to the Facility's CAA compliance, EPA believes that the Facility failed to comply with certain federally enforceable requirements applicable to the Facility. A summary of alleged CAA non-compliance is enclosed herein. *See* Enclosure A ("General Summary of Allegations of Noncompliance with the Clean Air Act"). EPA is interested in discussing the areas of non-compliance summarized in Enclosure A with Croda representatives.

REQUEST FOR INFORMATION & OPPORTUNITY TO CONFER

In order to initiate discussions regarding this matter, EPA is requesting an opportunity to confer with you and other representatives of the Facility. The purposes of such discussion would be to: 1) discuss any additional information that Croda representatives may have demonstrating that EPA's summary of alleged violations set forth in Enclosure A is incorrect and 2) provide

any additional information relevant to EPA's determination of whether EPA should consider any potential enforcement action relating to the summary of allegations set forth in Enclosure A.

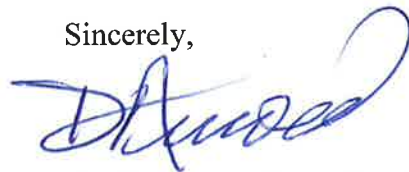
In order to expedite discussion of this matter, EPA is requesting a timely response to this letter and submission of any additional information demonstrating that EPA's summary of alleged violations set forth in Enclosure A are not correct. Therefore, EPA is requesting that Croda representatives respond to this letter within fifteen (15) business days of your receipt of this letter. If Croda representatives do not respond within fifteen (15) business days of receipt of this letter, the Agency may determine an appropriate enforcement response without further prior notice to you.

Please send any and all information responsive to the above request, and direct any request for a settlement conference, to the attention of:

Gwendolyn Supplee
Life Scientist
Air Protection Division (3AP20)
U.S. EPA, Region III
1650 Arch Street
Philadelphia, PA 19103-2029
Phone: 215-814-2763

We look forward to discussing this matter further with Croda representatives. If you have any questions regarding anything in this letter, please contact Ms. Gwendolyn Supplee at your earliest convenience at (215) 814-2763 or at supplee.gwendolyn@epa.gov. Alternatively, in the event that Croda is represented by legal counsel, such legal counsel may contact Ms. Candace Headen in EPA's Office of Regional Counsel, at (215) 814-2632 or at headen.candace@epa.gov.

Sincerely,



David L. Arnold, Acting Director
Air Protection Division

Enclosure

cc: Gwendolyn Supplee, Life Scientist (3AP20)
Candace Headen, Assistant Regional Counsel (3RC10)
Donna L. Mastro, Air Branch Chief, EPA ORC (3RC10)



General Summary of Allegations of Noncompliance with the Clean Air Act

40 C.F.R. Part 63, Subpart PPP: National Emission Standards for Hazardous Air Pollutants for Polyether Polyols Production and Subpart H: National Emission Standards for Organic Hazardous Air Pollutants for Equipment Leaks

1. Based on a review of the weekly inspection records provided by Croda in its February 16, 2015 response to EPA, Croda failed to perform weekly inspections for pumps and agitators the week of 12/22/13, in violation of 40 C.F.R. §§ 63.1434(a), 63.163(b)(3), and 63.173(b)(1) and the Clean Air Act (the "Act").
2. Based on a review of the Leak Detection and Repair ("LDAR") database provided by Croda in its March 30, 2015 response to EPA, Croda failed to perform monthly LDAR monitoring during the months of December 2012, May 2013, December 2013, and November 2014 for pumps and agitators, in violation of 40 C.F.R. §§ 63.1434(a), 63.163(b)(1) and 63.173(a)(1) and the Act.
3. Based on a review of the LDAR database provided by Croda in its March 30, 2015 response to EPA, Croda failed to perform monthly LDAR monitoring for Agitator AGI 10915A during the months of March, April, May, July, August, and September of 2012, in violation of 40 C.F.R. §§ 63.1434(a) and 63.173(a)(1) and the Act.
4. Based on a review of the LDAR database provided by Croda in its March 30, 2015 response to EPA, Croda failed to perform monthly LDAR monitoring for Agitator AGI 11982 during the months of March, April, May, June, and July of 2012, in violation of 40 C.F.R. §§ 63.1434(a) and 63.173(a)(1) and the Act.
5. Based on a review of the LDAR database provided by Croda in its March 30, 2015 response to EPA, the entry for PRV 11578 on March 9, 2012 reads "TIGHT" under MREPAIR. Croda failed to document that the repair was conducted within leak detection requirements, in violation of 40 C.F.R. §§ 63.1434(a) and 63.168(b)(2) and (f) and the Act.
6. Based on a review of the weekly inspection records provided by Croda in its February 16, 2015 response to EPA, the April 28, 2013 weekly visual inspection of Agitator 11174 indicated that there was an oil leak and the seal required replacement. Croda failed to document that the repair was conducted in accordance with leak detection requirements, in violation of 40 C.F.R. §§ 63.1434(a) and 63.173(b)(2) and (c) and the Act.
7. Based on a review of the weekly inspection records provided by Croda in its February 16, 2015 response to EPA, Croda failed to perform weekly visual inspections for Agitator 11982 between March 2012 and March 2015, in violation of 40 C.F.R. §§ 63.1434(a) and 63.173(b)(1) and the Act.
8. Based on a review of the LDAR database provided by Croda in its March 30, 2015 response to EPA, Croda failed to perform monthly LDAR monitoring for PMP 11745 and PMP 11768 between March 2012 and February 2015, in violation of 40 C.F.R. §§ 63.1434(a) and 63.163(b)(1) and the Act.
9. Based on a review of the LDAR database provided by Croda in its March 30, 2015 response to EPA, a missed calibration for the LDAR monitoring instrument in March 2012 invalidated monitoring for PRV 11578. Therefore, Croda failed to perform annual monitoring for PRV 11578 for 2012, in violation of 40 C.F.R. §§ 63.1434(a) and 63.168(d)(4) and the Act.

EPA Reference Method 21: Determination of Volatile Organic Compound Leaks, 40 C.F.R. Part 60, Appendix A-7, as referenced by 40 C.F.R. § 63.180

10. Based on a review of the monitoring data in the LDAR database and the calibration records provided to EPA on March 30, 2015, during the following days, Croda performed monitoring using instruments that did not have a valid precision calibration performed within 3 months or the next use, whichever is later, in violation of 40 C.F.R. Part 60, Appendix A-7, Method 21, 40 C.F.R. §§ 63.1434(a) and 63.180 and the Act:

Monitoring Date	Instrument ID	Previous Calibration	Next Calibration
8/30/13	65626	05/04/13	09/24/13
9/22/13	65626	05/04/13	09/24/13
8/17/2014	11592	No Record	09/07/14
8/20/2014	11592	No Record	09/07/14
10/26/14	65626	07/07/14	01/31/15
11/01/14	65626	07/07/14	01/31/15
11/02/14	65626	07/07/14	01/31/15
12/18/14	65626	07/07/14	01/31/15

11. Based on a review of the monitoring data in the LDAR database and the calibration records provided to EPA on March 30, 2015, during the following days, Croda performed monitoring using instruments that did not have a daily calibration performed on the date of the monitoring event, in violation of 40 C.F.R. Part 60, Appendix A-7, Method 21, 40 C.F.R. §§ 63.1434(a) and 63.180, and the Act:
- a. Instrument ID 65626: 03/03/12; 03/06/12; 07/26/12; 08/05/12; 09/02/12; 05/04/13; 06/07/13; 06/20/13; 06/21/13; 06/22/13; 6/29/13; 07/14/13; 08/30/13; 09/22/13; 09/29/13; 09/30/13; 11/03/13; 01/12/14; 02/09/14; 05/13/14; 06/14/14; 06/15/14; 08/20/14; 09/17/14; 09/27/14; 11/02/14; 12/18/14; 01/31/15; 02/28/15.
 - b. Instrument ID: 24055: 03/09/12
12. Based on a review of the monitoring data in the LDAR database provided to EPA on March 30, 2015, during the following days, Croda performed monitoring using monitoring times that were less than two times the instrument response time, in violation of 40 C.F.R. Part 60, Appendix A-7, Method 21, Section 8.3.1, 40 C.F.R. §§ 63.1434(a) and 63.180, and the Act: 03/08/12; 03/06/12; 03/07/12; 03/05/13; 03/06/13; 03/07/13; 03/08/13; 05/04/13; 06/07/13; 06/20/13; 06/21/13; 06/22/13; 09/29/13; 11/16/13; 03/03/14; 03/07/14; 03/08/14; 05/13/14; 06/14/14; 07/18/14; 09/27/14.
13. Based on a review of the monitoring data in the LDAR database provided to EPA on March 30, 2015, during the following days, Croda records indicate monitoring was conducted for more components than would be possible for the time period of the

monitoring event if the required EPA Reference Method 21, Section 8.3.1 sampling techniques were used. This constitutes a violation of 40 C.F.R. Part 60, Appendix A-7, Method 21, Section 8.3.1, 40 C.F.R. §§ 63.1434(a) and 63.180, and the Act.

Monitoring Date	Monitoring Period (Hour:Minutes)	Instrument ID	# of Components Monitored
03/08/12	1:34	24055	585
03/08/12	1:14	6043	387
03/09/12	3:27	6043	742
03/10/12	1:32	6043	385
03/11/12	2:35	6043	749
03/11/12	2:12	24055	898
03/12/12	1:43	6043	445
03/12/12	1:28	24055	508
03/04/13	2:04	4235	368
03/06/13	6:02	65626	852
03/06/13	6:41	4235	1,246
03/07/13	2:33	65626	620
03/07/13	2:55	4235	504
03/07/13	0:12	65626	77
03/08/13	4:10	Blank ¹	746
05/04/13	2:53	65626	399
09/20/13	6:52	65626	1,280
03/08/14	4:39	0368	507
03/08/14	5:41	65626	420
06/14/14	3:11	65626	739
06/15/14	4:02	65626	501

¹ Instrument ID is blank in database provided by Croda

Title V Operating Permit Violations (Permit No. 18-00011)

14. According to an Annual Compliance Certification Croda submitted to EPA on September 1, 2015, Croda failed to operate the BTMS Scrubber (C112) during pastillation of BTMS-80 (Source ID P112 Pastillator Room) for approximately 40 minutes, in violation of the Facility's Title V Operating Permit (Permit No. 18-00011)

(Condition No. 010), 25 Pa. Code § 127.444 and Section 502(a) of the Act. This failure resulted in 53 pounds of uncontrolled VOC emissions.

15. According to an Annual Compliance Certification Croda submitted to EPA on August 26, 2014, Croda failed to conduct required weekly visual inspections for Subpart PPP regulated pumps and agitators the week of 12/22/2013 in violation of the Facility's Title V Operating Permit (Permit No. 18-00011) for Source ID P100 (Condition No. 014 for agitators and Condition No. 015 for pumps), 25 Pa. Code § 127.444 and Section 502(a) of the Act as well as in violation of 40 C.F.R. §§ 63.1434(a), 63.163(b)(3), and 63.173(b)(1).

